OVERVIEW: Regional Innovation Pilot Program

WHAT/WHY: Merge small LHAs into regional RHAs demonstrating:

- innovative models for the redevelopment and repair of public housing, including housing for the elderly and frail;
- innovative models for improved management;
- coordination among several housing authorities;
- economic efficiencies; and
- expansion of economic opportunities for tenants and the commonwealth.

HOW: DHCD to establish criteria for participation

- DHCD can waive c.121B requirements to help RHA meet program goals
- Participants get additional legal powers providing flexibility to innovate
- Can combine various forms of financial assistance into one multi-use pool
- RHA gets 20% boost in non-utility operating budget, subject to appropriation
- Ten-year trial period – can be extended if successful, or terminated for material default or by choice of communities

WHO FOR: Up to 4 Regional Housing Authorities

- Up to 3 with at least 7 communities and 750 state-aided units
- One with at least 10 communities and 250-700 state-aided units
- Serving varied urban, suburban & rural areas; geographically varied

WHO DELIVERS: Regional Housing Authority

- LHAs must join to create a RHA per c121B, sec. 3A – requires contract approved by each community's municipal officers and DHCD

WHO OVERSEES:

- RHA submits annual plan stating goals & objectives and how it will achieve them; DHCD reviews for compliance with Act and feasibility of success.
- RHA submits comprehensive annual report; DHCD reviews for compliance.
- Two evaluations by an "independent evaluator" during initial 10 years
- State auditor retains authority to audit

KEY Qs: Regional Innovation Pilot Program

1. Who will serve on the Advisory Board (required to provide advice and recommendations regarding the regulations for implementation) and will others join the Working Group?

2. Creation of Regional Housing Authorities

    a. Can we identify in advance the legal, financial and management issues that must be addressed, (e.g., staff roles and contracts; transfer of assets and liabilities; participation in local pension systems; tenant leases, etc.) and provide a checklist to interested LHAs, along with suggested solutions to address these issues?

    b. It appears LHAs need to merge into RHAs before they can apply to the program. Can we devise a "pre-application" process to assist a group of LHAs that express a clear intent to merge, and then provide technical assistance with the legal, financial and management problems they will face?

    c. How will staff roles change, and how will those changes be negotiated?

    d. How will LHAs provide tenants with the mandated "independent technical assistance"?

3. Which RHAs are eligible for the program?

    a. If an RHA is very large, can it join? If so, can it qualify for the 20% operating budget increase, or can we limit that funding to smaller RHAs?

    b. Does each community participating in the RHA need to have state-aided public housing units to "count" as one of the 7 or 10 required communities?

4. Should we survey LHA interest in this program, and flag any concerns they may have about implementation?

5. Funding for the 20% operating supplement:

    a. When will we seek funding for the 20% budget increase – before or after selection of an RHA?

    b. If before, how will we estimate the amount to request?

    c. If before, should the funds initially be put in a trust, to be available when needed, and eliminate the concern about returning them at the end of the fiscal year?

    d. Should these funds be in a separate state budget line item, so the main public housing operating subsidy line item isn't affected?

6. Clearly define the goals and objectives of the program, ideally in measurable ways.

7. What are the program criteria a successful applicant must meet?

8. Will we conduct a competitive round, or allow open applications?

9. Annual Plan: detail the information that needs to be included; consider whether/how the Annual Plan for this regional pilot will differ from the Annual Plan that the Act requires of all LHAs. (At a minimum it must show how the RHA will satisfy the goals and objectives of the pilot initiative.)

10. Annual Report: detail the information that needs to be included, including audit or AUP.

11. Who would serve as the "independent evaluator" that evaluates each participant twice in the first 10 years, and periodically thereafter?

12. What standards should DHCD adopt to guide this evaluator?

13. What steps can/should DHCD take if an RHA is not in compliance with its plan or this section of the Act?

TIMELINE: Regional Innovation Pilot Program

Sept 22
- Establish Advisory Committee and review Key Actions/Milestones/Questions

Oct 14
- Determine feasibility of a "pre-application" phase for interested LHAs
- Begin defining program goals & objectives
- Begin outlining tasks/obstacles to Regional merger; identify potential solutions

Nov 17
- Finalize goals and objectives
- Refine outline of tasks/obstacles to Regional merger and potential solutions
- Begin drafting requirements for Annual Plan and Annual Report

Dec 8
- Propose funding in Governor's FY16 state budget?

Dec 15
- Finalize outline of tasks/obstacles to Regional merger and potential solutions
- Refine requirements for Annual Plan and Annual Report
- Begin drafting program guidelines

Jan 12
- Finalize requirements for Annual Plan and Annual Report
- Refine program guidelines

Feb 9
- Finalize program guidelines
- Begin drafting regulations

Mar 9
- Refine regulations
- Begin drafting application/RFP

Apr 6
- Finalize regulations; begin process required to promulgate regs.
- Refine draft of application/RFP

May 11
- Finalize draft of application/RFP

July 13
- Funding is appropriated
- Regulations are promulgated and in effect
- Open the pre-application process to LHAs

Dec 14
- Receive first applications from LHAs?

2016
- Award technical assistance grants to assist LHAs with commitments from their communities and LHA to regionalize; eventually full award with 20% budget increase for those who successfully complete the process.